

## Message Text

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67

ACTION COA-01

INFO OCT-01 ARA-06 ISO-00 OES-03 EB-07 COME-00 DLOS-03

INT-05 CG-00 DOTE-00 OMB-01 CIAE-00 DODE-00 PM-03

H-01 INR-07 L-02 NSAE-00 NSC-05 PA-01 RSC-01 PRS-01

SP-02 SS-15 USIA-06 AID-05 IO-10 /086 W

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P R 102015Z JAN 75

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 7240

INFO AMEMBASSY MEXICO

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

C O N F I D E N T I A L BRASILIA 0293

E. O. 11652: GDS

TAGS: EFIS, BR

SUBJECT: RENEGOTIATION OF BILATERAL SHRIMP FISHING AGREEMENT

REF: A-WATSON/RUSER TELECON JANUARY 7

B-STATE 270355

1. SUMMARY - BRAZIL AGREES RENEGOTIATION OF US-BRAZILIAN FISHING ARRANGEMENT IN BRASILIA FEBRUARY 3-6, BUT IS NEGATIVE ON PRE-NEGOTIATION SESSION OF US AND BRAZILIAN SCIENTISTS. GOB SEEKS THREE-YEAR "PHASE-OUT" AGREEMENT, WITH PROGRESSIVELY LOWER CEILING ON US VESSELS, WITH OBJECTIVE OF TRANSFERRING FISHING ACTIVITY TO MIXED BRAZILIAN-FOREIGN-OWNED COMPANIES. END OF SUMMARY.

2. ON JANUARY 8 AND 9, ECON COUNSELOR DISCUSSED RENEGOTIATION OF US-BRAZILIAN SHRIMP FISHING AGREEMENT WITH PAULO NOGUEIRA BATISTA, HEAD FONOFF ECONOMIC DEPARTMENT, AND WITH SERGIO BATH, HEAD OF ECONOMIC DEPARTMENT'S BASIC PRODUCTS DIVISION. PURSUANT TO REF A, ECON COUNSELOR FORMALLY PROPOSED NEGOTIATIONS FOR FIRST WEEK OF FEBRUARY. FOLLOWING POINTS EMERGED:

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A. GOB AGREES TO NEGOTIATIONS IN BRASILIA FEBRUARY 3-6 BUT

IS OPPOSED TO PRE-NEGOTIATION SESSION OF US AND BRAZILIAN (SUDEPE) SCIENTISTS. GOB DOES NOT UNDERSTAND PRECISE PURPOSE THAT SESSION OF SCIENTISTS WOULD SERVE AND, IN ANY CASE, OPPOSES SUCH A MEETING BEFORE THE CONCEPTUAL FRAME OF A NEW AGREEMENT IS AGREED AND CLARIFIED.

B. GOB SEEKS THREE-YEAR "PHASE-OUT" AGREEMENT, WITH PROGRESSIVELY LOWER CEILINGS FOR US FISHING VESSELS; OBJECTIVE WILL BE TO TRANSFER SHRIMP FISHING TO MIXED BRAZILIAN-FOREIGN OWNED COMPANIES DURING THIS PERIOD.

3. IN EXPANDING ON BRAZILIAN OBJECTIVES, SERGIO BATH SAID THAT A NUMBER OF COUNTRIES HAD PROPOSED BILATERAL FISHING AGREEMENTS BUT THAT GOB HAD DECIDED AGAINST ENTERING INTO NEW ARRANGEMENTS BEYOND THE EXISTING FOUR (US, TRINIDAD AND TOBAGO, BARBADOS AND THE NETHERLANDS ON BEHALF OF SURINAM). ON THE OTHER HAND, GOB RECOGNIZED SOME RESPONSIBILITY TOWARD ESTABLISHED FISHING INTERESTS COVERED AND GUARANTEED BY THE EXISTING ARRANGEMENTS. BRAZIL'S SOLUTION WAS A PHASE-OUT AGREEMENT, WITH A PROGRESSIVE REDUCTION OF VESSELS ALLOWED TO FISH IN "BRAZILIAN" WATERS OVER A REASONABLE PERIOD OF TIME. IN ADDITION, GOB WOULD BE WILLING TO ACCORD A PREFERENCE TO LDCS, RELATIVELY MORE DEPENDENT ON FISHING (E.G., BARBADOS), BY GRANTING BETTER PHASING-OUT CONDITIONS; THE SPECIFIC TERMS OF THESE PREFERENCES WOULD BE A MATTER OF NEGOTIATIONS. THE PREFERENCES ASIDE, THE PHASE-OUT WOULD BE COMPLETED AFTER THREE YEARS.

4. BATH ALSO SAID GOB RECOGNIZED THAT BRAZILIAN REQUIREMENTS FOR JOINT VENTURES INVOLVING FOREIGN PARTICIPATION HAD BEEN TOO STRICT AND THAT NEW LEGAL AND INSTITUTIONAL ARRANGEMENTS WOULD BE REQUIRED FOR THE GOB'S POLICY TO SUCCEED. THE GOB WOULD SEEK TO PROVIDE POSITIVE INDUCEMENTS FOR FOREIGN FISHING INTERESTS TO FISH IN "BRAZILIAN" WATERS THROUGH BRAZILIAN ENTITIES AND IN PARTNERSHIP WITH BRAZILIAN CAPITAL. HE IMPLIED THAT BRAZIL HOPED TO ATTRACT FISHING INTERESTS FROM OTHER COUNTRIES NOT NOW REPRESENTED OFF THE BRAZILIAN COAST. BATH REJECTED IDEA RAISED BY ECON COUNSELOR THAT NEGOTIATIONS COULD FOCUS ON ANNEXES, INSISTED THE GOB'S NEW CONCEPT REQUIRED A THOROUGH RENEGOTIATION OF ENTIRE BODY OF AGREEMENT.

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5. NEITHER NOGUEIRA BATISTA NOR SERGIO BATH WERE WILLING TO COMMIT THEMSELVES ON WHETHER GOB INTENDED TO MAKE FORMAL BRAZILIAN PROPOSAL IN WRITING BEFORE START OF NEGOTIATIONS. BATH PROMISED HE WOULD GIVE COUNSELOR MORE DETAILED PREVIEW OF BRAZILIAN PROPOSAL LATE NEXT WEEK AND INDICATED WILLINGNESS TO CONTINUE DIALOGUE ON THIS INFORMAL BASIS DURING PRENEGOTIATION PERIOD IF DESIRED BY US. NOGUEIRA BATISTA THOUGHT THERE MIGHT BE BRAZILIAN WRITTEN SUBMISSION SHORTLY BEFORE ACTUAL START

OF NEGOTIATIONS.

6. COMMENT: COUNSELOR OBSERVED THAT IN LIGHT OF BRAZILIAN  
VIEWS PROSPECTS FOR EARLY AGREEMENT SEEMED PROBLEMATICAL.  
EMBASSY WOULD APPRECIATE ANY GUIDANCE DEPARTMENT MIGHT  
WISH TO PROVIDE FOR NEXT MEETING.  
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## Message Attributes

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